

MINUTES OF THE  
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE  
MONDAY, JANUARY 29, 2001, 2:00 P.M.  
Room 223, State Capitol Building

Members Present: Sen. Lyle Hillyard, Committee Co-Chair  
Rep. Afton Bradshaw, Committee Co-Chair  
Sen. Peter Knudson  
Sen. Paula Julander  
Rep. Patrice M. Arent  
Rep. Katherine M. Bryson  
Rep. Margaret Dayton  
Rep. Patricia W. Jones  
Rep. LaWanna "Lou" Shurtliff  
Rep. Richard M. Siddoway  
Rep. Gordon E. Snow  
Rep. Stephen H. Urquhart

Members Excused: Sen. Steve Poulton  
Rep. Martin R. Stephens

Staff Present: Boyd A. Garriott, Senior Legislative Fiscal Analyst  
Debra Headden, Legislative Fiscal Analyst  
Rolayne Day, Secretary

Public Speakers Present: Commissioner Cecelia Foxley  
Dr. Michael Peterson, Associate Commissioner for Academic Affairs, USHE  
Dr. Gary Wixom, Assistant Commissioner for Applied Technology Education, USHE  
Dr. Barbara A. White, Chief Information Officer, USU  
Dr. David Eisler, Provost, WSU  
Allison P. Pakumbo, WSU Student  
Ron Smart, Chair, UVSC Aviation Program  
Dustin Berlin, UVSC Student  
Richard Vincent, UVSC Aviation Professor  
Charlie Johnson, Chair, Board of Regents  
Kelly Ann Booth, Director of Government Relations, Utah Student Association  
Regent Pamela Atkinson  
President Paul Thompson, WSU  
Troy Miller, WSU Graduate Student  
Norm Tarbox, Associate Commissioner, USHE  
Dr. Paul Brinkman, UU  
Brad Mortenson, USHE  
President Grace Sawyer Jones, CEU

Visitor List on File

Committee Co-Chair Hillyard called the meeting to order at 2:08 p.m.

1. Technology—Dr. Gary Wixom, Assistant Commissioner for Applied Technology Education, said their challenge is to upgrade information technology (IT) services so they are relevant in the educational environment. There has been an 85% increase in online registration, payment of tuition and fees with credit cards, transferring credits and applying for financial aid. All of this online activity plus online courses has put a tremendous strain on the IT infrastructure. Another challenge is that salaries of USHE IT personnel are significantly lower than comparable positions in the IT market.

Technology goals include upgrading USHE IT staff salaries, centrally coordinating and integrating IT and network services, upgrading institutional and administrative data processing systems and student system software, planning

broadband connections from the campus networks to businesses and homes, establishing community resource centers, adding a distance delivered doctoral program, and updating the Higher Education Technology Strategic Plan.

Dr. Barbara A. White, USU's Chief Information Officer, said new equipment is necessary for student labs operating in excess of 80% during regular times with peak-time usage at 100%. Many students stand in line to use equipment to meet both online and traditional course requirements.

Dr. David Isler, WSU Provost, said students are learning and faculty are comfortable with the online process. Allison P. Pakumbo, WSU student, discussed her successes with online courses and said that she will be able to graduate early because she could take more credits.

Ron Smart, Director of UVSC's Online Aviation Program, said there are over 500 students in the online program this semester and they expect 1,000 by Fall 2001. Some students take both regular and online courses to get through the curriculum. Dustin Berlin, Aviation graduate, discussed his experiences with the program. Although students do not save money on textbooks, they do save money by taking more credits and finishing earlier because of the convenience of online instruction.

Dr. Michael Peterson, Associate Commissioner for Academic Affairs, distributed and discussed a handout on the distance education doctorate. Sen. Hillyard asked what happens if a student doesn't have a computer. Mr. Smart said financial aid often covers that expense and there are labs available at the aviation site as well as on campus. Mr. Berlin said he also used computers at the local library.

Fiscal Analyst Boyd Garriott said the Utah Education Network (UEN) is increasing the bandwidth so that more students can gain access to the system. They are also requesting money to build redundancy into the system so that if a hub goes down, it doesn't bring down the whole system. They need one-time funding to upgrade IT equipment that has a three- to five-year life span. The analysts also recommend one-time funding of \$250,000 for a consultant to evaluate systemwide needs for ADP and information systems and requested that an implementation plan be reported to the Legislature next year. Sen. Hillyard asked if federal funding was available for administrative equipment and systems. Dr. Peterson said it had been in the past.

Rep. Bryson asked what specific numbers make up the 500% increase in online students. Dr. Peterson said there are 800 students in the Utah Electronic College this semester with 8,000 in all distance education courses. Dr. Wixom said that, although he doesn't have the exact numbers, online registration is increasing steadily as are all types of distance education. He also said that distance education isn't cheaper, but students are not using a classroom and that is a significant factor at many institutions. Rep. Bryson asked how the savings are assessed. Dr. Wixom said that is difficult to determine and is an issue across the nation. Sen. Hillyard said there are savings when students can finish degrees earlier. Richard Vincent, UVSC Aviation instructor, said the first time the course is taught, it is expensive, but that courses become less expensive each time time are repeated.

2. Tuition—Charlie Johnson, Chair, Board of Regents, said a Regents' task force studied tuition over the last year. Utah has chosen, by policy, to have lower tuition and lower financial aid. As they move to a higher tuition, there should be complimentary financial aid funding as well. Non-resident tuition is 3.5 to 4 times that of residents to cover the full cost of instruction. The two-tier tuition component allows a common tuition increase every year; then, if market needs indicate, there is the opportunity for some additional tuition in the second tier.

Rep. Dayton asked if the task force talked about graduate tuition. Mr. Johnson said it had and there have been substantial increases in graduate tuition rates at the University of Utah and Utah State. Commissioner Foxley said student leaders have been involved in the tuition process. The Regents do not feel that the students' Truth in Tuition proposal needs to be in statute, but do feel comfortable with intent language. Raising tuition is always a painful process for the Regents. Rep. Snow asked who's responsibility it is to set tuition. Mr. Johnson said it is the Regents' responsibility to set the tuition and to then inform the Legislature. After the session, they will determine final tuition increases. Rep. Bradshaw asked if any of the institutions are considering a second-tier tuition increase. Commissioner Foxley said they really don't know yet. Rep. Urquhart said it would make more sense for the Regents to give a tuition rate recommendation and let the Legislature set the final amount as part of the budget process. Mr. Johnson said they often don't know the necessary numbers until too late in the session for that to work.

Kelly Ann Booth, Director of Government Relations, Utah Student Association, said financial aid is a concern with tuition rising faster than wages. They are concerned about the discrepancies in undergraduate vs. graduate tuitions and feel that undergraduates are subsidizing graduate students. They are asking for more accountability, want to have more say in the process, and feel that putting Truth in Tuition in statute would be much more secure for students. Commissioner Foxley said the students are already heavily involved in the process so there is no need to put it into law.

Regent Pamela Atkinson said she also questioned the second tuition tier, but now feels comfortable with checks and balances that are in place. She pointed out that not only have fuel and power costs gone up for institutions, they have also gone up for students who often have to decide whether to pay tuition or rent or buy food.

Mr. Garriott said all states wrestle with tuition issues, but the analysts feel that the Board of Regents needs to rethink how graduate tuition is computed. He distributed a handout comparing tuition rates at WICHE schools. A full course load for undergraduate students is 15 credit hours; graduate students take 10 credit hours for a full load. When you take this into consideration, graduate students are paying even less for a full class load than undergraduates.

Rep. Bradshaw assumed the Committee chair.

The analysts recommend that the two-tiered tuition approach not be applied to undergraduate students.

Sen. Hillyard assumed the Committee chair.

**MOTION:** Sen. Julander moved to approve minutes of the January 24, 2001, and January 26, 2001, meetings.

The motion passed unanimously with Sen. Knudson and Reps. Bryson and Dayton absent at the time of voting.

3. Weber State University—President Paul Thompson said Weber is primarily an undergraduate university that also serves the community. Weber is strongly committed to ATE and supports the new funding formula. Their highest priority is compensation and salary equity for both faculty and staff; there is a serious problem recruiting new faculty because of the low salaries they can offer. They need help with medical benefits costs and programmatic support for the Davis facility so they can offer more courses in the technical areas, math, and business. They need funding for hardware and software and have additional needs for O & M for the Kimball Visual Arts Building.

Dr. David Eisler, Provost, discussed specific needs to meet the Engineering, Computer, and Technology Initiative. They have seen a 10% increase in associate degrees and need base funding to hire new faculty in those areas. They are asking for \$750,000 in one-time money for technology, recruitment, and retention.

WSU MBA student Troy Miller discussed his experiences as an undergraduate and graduate of Weber State. He is currently working at Iomega and takes many courses online towards an MBA. President Thompson said Weber works very closely with both the Davis and Ogden/Weber Technology Centers to articulate programs. Three strong areas at Weber are Technology (IS&T), the College of Applied Science and Technology, and the College of Health Professions.

4. Inflationary Rate Increases—Analyst Debra Headden said if additional money becomes available, the analysts recommend funding UVSC's National Guard Utilities Rate Contract at \$90,000; \$20,000 for the Regional Dental Education Program (if the funding formula is adopted, that request will be included); and \$280,000 for hazardous waste increases. The new formula would also cover the \$30,000 WICHI inflationary adjustment request and the water increase request of \$181,700. If the formula is not adopted, the analysts recommend funding both of those items if additional funds become available.

Rep. Shurtliff asked why only two schools have such high water increase requests. Ms. Headden said the other schools could cover the increases within operating budgets. Mr. Tarbox said cities and institutions have partnerships that have provided lower rates in the past; however, the cities are starting to demand full rates. Rep. Snow asked that these steep increases be further investigated.

Sen. Knudson informed the Committee that Nevada is starting a dental school and is interested in developing a relationship with Utah that might be better than the agreement with Creighton University in Nebraska.

5. Operation and Maintenance of New Facilities—Ms. Headden distributed a handout reflecting changes to their budget recommendations (for page 25 in the Analyst's Recommendations). The analysts recommend funding \$46,900 for the Price Museum of Fine Arts utilities correction at the University of Utah and \$34,000 for the addition to the same building. They further recommend funding \$9,200 for the Cowles Building renovation (air conditioning) and \$20,500 for the Cowles Building addition also at the UU. They do not recommend funding the Bubidge Academic Center.

USU's funding recommendations include \$212,200 for the Science Learning Center, \$51,700 for the Uintah Basin Education Center, \$43,600 for Communicative Disorders, \$21,200 for Family and Human Development, and \$19,700 for the Lyric Theatre. They do not recommend funding the University Police or University Press requests.

Weber's recommendation is \$279,800 for the Kimball Visual Arts building. At SUU, the analysts recommend \$347,300 for the P.E. Building, but do not recommend funding the middle school grounds and landscaping nor the Birch Mann home. The analysts recommend \$68,000 for the Snow South Multi-events Center, Dixie State College's requests of \$142,000 for Math and Education, \$31,900 for the Student Services Center, \$33,000 for the Hurricane Center expansion, and \$45,600 for the Physical Plant Building at CEU.

Funding is recommended for UVSC's Information Sciences Building at \$830,500 and the Gunther Trades Classroom addition but not for the Journal Building. SLCC funding recommendations include \$216,700 for the Jordan Campus, \$230,300 for Detroit Diesel, and \$288,000 *each* for the Larry H. Miller Buildings #3 and #4.

Commissioner Foxley distributed a handout comparing the Regents' requests and the analysts' recommendations; the figures are quite close. Mr. Tarbox said the Regents decided two years ago where to draw the line for O & M funding. If a building is an academic building, if it supports an academic function, or if the building generates student credit hours, they will request funding. Most of higher education's budget is for people (85%); 60% of the O & M budget is for people—fifteen to twenty years of no inflationary increases have taken a toll in this area.

Sen. Hillyard asked if the middle school grounds and landscaping request should really be one-time funding. Mr. Tarbox said there is planning that needs to take place before they can raze the building and build classrooms. There are also some on-going safety requirements, none of which are covered under the new formula. Commissioner Foxley said O & M is the largest non-formula, on-going increase for higher education and institutions must cover the costs whether they are funded by the Legislature or not.

Ms. Headden said the middle school request form indicates the funding would be used for "green space," and she questioned the validity of the request based on the form. Mr. Tarbox said there are some 100-year-old trees that need to be maintained, but the request is basically to handle the razing requirements. Mr. Garriott said the Legislature needs to address life-cycle building replacement. Rep. Snow asked why that isn't part of AR&I. Commissioner Foxley said it is more costly to fix problems when buildings are not properly maintained.

6. Compensation—Mr. Garriott said a one percent rise in compensation costs \$1,442,000 in tuition revenues; compensation for programs that are not tuition driven are fully funded by the Legislature. Commissioner Foxley said nothing is more important to higher education than increased compensation.
7. Salary Equity—Mr. Garriott said the Utah State Personnel Management Act relating to State pay plans requires human resources management at all State agencies to design a pay plan that achieves salaries comparable to salary ranges in private enterprise and other public employment for similar work. If that is not possible, the Legislature needs to be notified. He discussed charts comparing salaries at Utah institutions with those in other states. Commissioner Foxley said the U could not be adequately compared to just doctoral universities, they need to be compared to Research One universities with a medical school to accurately see the salary discrepancies. Mr. Garriott said they just wanted to get an idea where the universities ranked among doctoral universities because they operate on a global market. Paul Brinkman, UU, took exception to this saying that it is not a valid comparison and that you must also put private schools into the mix. Mr. Tarbox said there are 40 schools across the country that meet comparison validity with the University of Utah. Sen. Hillyard said grants also do not show up in salary

comparisons. Commissioner Foxley said the Regents have a salary comparison with like institutions on page 21 of their budget book. Mr. Garriott said they will reassess the comparison. He also distributed replacement tables for pages 21 and 22 in their budget recommendations and noted that \$9.3 million is required for salary equity.

Brad Mortenson, USHE, said a position by position analysis was undertaken to find each institution's appropriate peer group for salary and benefits value comparison purposes. The Regents' request is to get salaries up to 90% of the market. They would need \$10 million for the 2,600 employees across the system that are below 90%; the request is for \$3 million as a second step in the salary equity process.

Ms. Headden said the analysts removed the longevity piece from the Regents' request and that is why their recommendation is lower. Representative Arent declared a conflict of interest since her husband is employed by higher education. Rep. Snow asked if staff turnover and low salaries is really that big of a problem. President Grace Sawyer Jones, CEU, said there is a greater disparity in CEU's staff than for the faculty.

**MOTION:** Rep. Siddoway moved to adjourn.

Committee Co-Chair Hillyard adjourned the meeting at 5:13 p.m.

Minutes were reported by Rolayne Day, Secretary.

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Sen. Lyle Hillyard, Committee Co-Chair

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Rep. Afton Bradshaw, Committee Co-Chair